Winter Fuels Conference
October 9, 2007

Thank you very much. I want to first thank you all for being here today, it is important for all of us to stay in constant communication to collaborate in ensuring our energy delivery system is a reliable one for the people of this Nation. This is a system that includes the equipment that brings electricity into our homes, offices, and factories, and the federal and state electricity policies and programs that shape electric system planning and market operations. It is also a system that needs protection and support, efforts that involve the collaboration with the Department of Homeland Security (DHS) and others to bolster the resiliency of the grid and assist with restoration when major energy supply interruptions occur.

Making investments to modernize our electricity grid, securing a diverse and stable supply of reliable energy, and increasing efficiency are central to the Bush Administration's effort to increase energy and economic security.

Here at OE, this effort involves the R&D, the electricity policies and programs that shape both electric system planning and market operations, and the security of our energy infrastructure.

In our R&D program; demonstration, analysis, and transfer of "next generation" electricity delivery technologies is a critical component. On the supply side, advanced electricity delivery technologies are essential for clean energy devices such as

renewables, clean coal, and nuclear power. On the demand side, advanced electricity delivery technologies are essential for energy efficiency devices, demand response, and advanced transportation systems such as electric and plug-in hybrid electric vehicles.

Our Policy office has made real strides toward the implementation of courses of action that give transmission the support it needs in a society that has lost sight of its importance. Along with increased demand for electricity, we must recognize the need for higher reliability – to levels beyond those for which today's grid was designed.

Therefore, on October 2, 2007, Secretary Bodman has determined that it is necessary to designate a National Corridor in both areas of the country suffering from critical levels of transmission congestion. In the East, the boundaries of the Mid-Atlantic Area National Corridor are unchanged from the draft National Corridor DOE published in the *Federal Register* on May 7, 2007. In the West, the boundaries of the Southwest Area National Corridor are the same as in the May 7 draft, with the exception of Clark County, Nevada which is not included in the National Corridor. The Department decided not to include Clark County because the county is not a major source of potential generation for the Critical Congestion Area, nor does the area contain a transmission constraint separating the Critical Congestion Area from an identified potential generation source.

The last but by no means least important side of our office's efforts involve the security and restoration of our energy infrastructure. In turbulent times such as the ones we currently live in, it is important to have a sense of our reliance on energy and how this

makes our infrastructure that much more vulnerable. Our Infrastructure Security and Energy Reliability (ISER) Office has worked closely with DHS in order to issue the SSP